

Fundamentals:

Oil prices fell about 2% on Monday to a three-week low as a higher-priced Brent contract expired, the U.S. dollar strengthened and traders took profits, concerned about rising crude supplies and pressure on demand from high interest rates.

On its first day as the front-month, Brent futures for December delivery settled \$1.49, or 1.6%, lower at \$90.71 a barrel, or down about 5% from where the November contract expired on Friday. That was the Brent front-month's biggest daily percentage decline since early May.

U.S. West Texas Intermediate crude (WTI), meanwhile, fell \$1.97, or 2.2%, to settle at \$88.82 per barrel.

Analysts said some traders took profits after crude prices rose nearly 30% to 10-month highs in the third quarter.

Before the crude price pullback that started on Sept. 28, U.S. speculators boosted their net long futures and options positions on the New York Mercantile and Intercontinental Exchanges to the highest since May 2022, according to the U.S. Commodity Futures Trading Commission.

On Monday, the U.S. dollar rose to a 10-month high against a basket of other currencies after the U.S. government avoided a partial shutdown and economic data fueled expectations the U.S. Federal Reserve will keep rates higher longer, which could slow economic growth.

Higher interest rates along with a stronger dollar, which makes oil more expensive for holders of other currencies, could dent oil demand.

In Europe, manufacturing data showed the euro zone, Germany and Britain remained mired in a downturn in September.

In China, the world's biggest oil importer, the World Bank maintained its forecast for 2023 economic growth at 5.1%, but trimmed its prediction for 2024, citing persistent weakness of its property sector.

Pumping more crude supply into the system, Turkey's energy minister said the country will restart operations this week on a pipeline from Iraq that has been suspended for about six months.

Additionally, Saudi Arabia could start to ease its additional voluntary supply cut of 1 million barrels per day (bpd), IING analysts said in a note.

OPEC+, the Organization of the Petroleum Exporting Countries (OPEC) plus Russia and other allies, will meet on Wednesday but is unlikely to tweak its current oil output policy.

A Reuters survey showed OPEC oil output rose for a second straight month in September despite cuts by Saudi Arabia.

U.S. natural gas futures fell about 3% on Monday on forecasts for lower demand due to milder weather over the next two weeks and longer over the upcoming winter.

Prices fell despite a reduction in output, record exports to Mexico and a rise in the amount of gas flowing to U.S. liquefied natural gas (LNG) export plants even though some plants were reduced for maintenance.

(Source: Reuters)

Energy Table

Contract	Sett	Chg	High	Low
Nymex Crude Oil NOV 23	88.82	-1.97	91.88	88.46
Natural Gas NOV 23	2.840	-0.089	2.958	2.835
RB Gasoline NOV 23	241.22	1.27	243.70	239.13
Heating Oil NOV 23	322.25	-7.81	334.84	320.27
Brent, Fin Last Day DEC 23	90.71	-1.49	93.32	90.35
US Dollar Index	107.02	0.846	107.03	106.044

Bloomberg Survey on U.S. Total Change in Inventories

Date	Crude Oil		Gasoline		Crude Oil	
	Actual	Survey	Actual	Survey	Production	Inventory
22/9/2023	-2169	-900	1027	0	12900	416287
15/9/2023	-2136	-1700	-831	1100	12900	418456
8/9/2023	3955	-2481	5561	-850	12900	420592
1/9/2023	-6307	-2000	-2666	-1000	12800	416637
25/8/2023	-10584	-2191	-214	-1250	12800	423944
18/8/2023	-6134	-3000	1468	-481	12800	433528
11/8/2023	-5960	-2500	-262	-1100	12700	439662
4/8/2023	-2661	2300	-2661	-200	12600	445622
28/7/2023	-17049	-1050	1481	-1550	12200	439771
21/7/2023	-600	-2250	-786	-1373	12200	456820
14/7/2023	-708	-2500	-1066	-1500	12300	457420
7/7/2023	5946	-50	-4	-1350	12300	458128

Fundamental Data:

Event	Period	Avg Survey	Actual	Prior
10/04/2023 22:30	DOE U.S. Crude Oil Inventories	Sep-29	--	--
10/04/2023 22:30	DOE Cushing OK Crude Inventory	Sep-29	--	-943k
10/04/2023 22:30	DOE U.S. Gasoline Inventories	Sep-29	--	1027k
10/04/2023 22:30	DOE U.S. Distillate Inventory	Sep-29	--	398k
10/04/2023 22:30	DOE U.S. Refinery Utilization	Sep-29	--	-2.40%
10/04/2023 22:30	DOE Crude Oil Implied Demand	Sep-29	--	20439
10/04/2023 22:30	DOE Gasoline Implied Demand	Sep-29	--	9433
10/04/2023 22:30	DOE Distillate Implied Demand	Sep-29	--	4989.1
10/05/2023 22:30	EIA Natural Gas Storage Change	Sep-29	--	90
10/05/2023 22:30	EIA Working Natural Gas Implied Flow	Sep-29	--	90
10/07/2023 01:00	Baker Hughes U.S. Rotary Oil Rigs	Oct-06	--	502
10/07/2023 01:00	Baker Hughes U.S. Rotary Gas Rigs	Oct-06	--	116
10/07/2023 01:00	Baker Hughes U.S. Rig Count	Oct-06	--	623

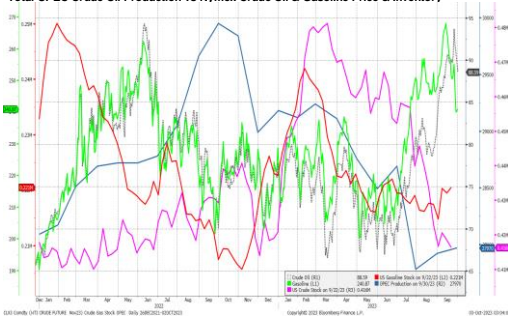
U.S. Oil Rig Count vs Nymex Crude Oil & Gasoline Price



Normalized RBOB Gasoline minus Nymex Crude Oil Price



Total OPEC Crude Oil Production vs Nymex Crude Oil & Gasoline Price & Inventory



WTI-Brent Spread



Source: Bloomberg

Nymex Crude Daily Chart



Nymex RBOB Gasoline Daily Chart



Nymex Natural Gas Daily Chart



Nymex Heating Oil Daily Chart



Nymex Brent Last Day Daily Chart



Technical Analysis

Crude Oil			Natural Gas			Gasoline					
1st Resistance:	90.15	2nd Resistance:	91.48	1st Resistance:	2.883	2nd Resistance:	2.925	1st Resistance:	244.84	2nd Resistance:	248.46
1st Support:	87.49	2nd Support:	86.16	1st Support:	2.797	2nd Support:	2.755	1st Support:	237.60	2nd Support:	233.98
MACD:	2.240			MACD:	-0.056			MACD:	-1.487		
MACD DIFF:	-0.277			MACD DIFF:	0.000			MACD DIFF:	-2.702		
RSI:	54.863			RSI:	40.032			RSI:	35.931		
Heating Oil			Brent Fin Last Day								
1st Resistance:	327.08	2nd Resistance:	331.92	1st Resistance:	92.07	2nd Resistance:	93.43				
1st Support:	317.42	2nd Support:	312.58	1st Support:	89.35	2nd Support:	87.99				
MACD:	5.399			MACD:	1.705						
MACD DIFF:	-1.495			MACD DIFF:	-0.384						
RSI:	52.863			RSI:	52.856						

Strategy

	Long:	Profit target:	Stop-loss:	Long:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:	Short:	Profit target:	Stop-loss:
Crude Oil	87.49	88.36	87.05	86.16	87.02	85.72	90.15	89.25	90.60	91.48	90.57	91.94
Natural Gas	2.797	2.825	2.783	2.755	2.782	2.741	2.883	2.854	2.897	2.925	2.896	2.940
Gasoline	237.60	239.98	236.41	233.98	236.32	232.81	244.84	242.39	246.06	248.46	245.97	249.70
Heating Oil	317.42	320.59	315.83	312.58	315.71	311.02	327.08	323.81	328.72	331.92	328.60	333.58
Brent Fin Last Day	89.35	90.24	88.90	87.99	88.87	87.55	92.07	91.15	92.53	93.43	92.50	93.90

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